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SOUTH DAKOTA COMMISSION ON GAMING SPECIAL MEETING

MINUTES **December 21, 2011**

The South Dakota Commission on Gaming held a special meeting by telephone conference call on Wednesday, December 21, 2011 at 10:00 PM CDT. Present at the roll call were:

Commissioner Ralph "Chip" Kemnitz, chairman, Commissioner Karen Crew, vice chairman. Commissioner Karl Fischer, Commissioner Dennis Duncan and Commissioner Harry Christianson. Other persons who were present included: Michael Shaw, Commission Counsel, Larry Eliason, Executive Secretary, Craig Sparrow, Director of Enforcement and Operations, Susan Christian, Operations Manager, Dennis Booth, Verendrye Benevolent Association(Ft. Pierre racetrack), Lloyd Just, State racing Steward, Jim Thayer and Mike Schmidt, North East Horse Racing, Inc.(Aberdeen race track) and Aaron Orłowski, reporter Rapid City Journal.

No conflicts with any agenda items were noted by any Commissioner.

Commissioner Christianson moved approval of the agenda. The motion was seconded by Commissioner Fischer. On roll call the Commissioners voted as follows:

Commissioner Kemnitz	Aye
Commissioner Crew	Aye
Commissioner Fischer	Aye
Commissioner Duncan	Aye
Commissioner Christianson	Aye

ALLOCATION OF FUNDS TO RACE TRACKS FOR 2012 RACING SEASON

Commissioner Fischer moved to approve Resolution Number 11-30-11-01 for the allocation of purse supplements and racing operations for the 2012 live horse racing season. Motion was seconded by Commissioner Christianson. On roll call the Commissioners voted as follows:

Commissioner Kemnitz	Aye
Commissioner Crew	Aye
Commissioner Fischer	Aye
Commissioner Duncan	Aye
Commissioner Christianson	Aye

Discussion was held on the racing regulation expenses being paid out of the funds generated by Deadwood Gaming and if this should be allocated to the funds generated by the simulcast wagering.

Commission instructed Secretary Eliason to track the expense of regulating the live racing for the 2012 racing season and provide the amount to them for future discussion/purposes.

JOCKEY LONGEVITY PAYMENTS FOR 2012 RACING SEASON

Commissioner Duncan moved to approve Resolution Number 11-30-11-02 for the reimbursement to the track from the Special Racing Revolving Fund for longevity payments to licensed jockeys who participate in races in South Dakota during the 2012 season. Commissioner Fischer seconded the motion.

On roll call the Commissioners voted as follows:

Commissioner Kemnitz	Aye
Commissioner Crew	Aye
Commissioner Fischer	Aye
Commissioner Duncan	Aye
Commissioner Christianson	Aye

OTHER BUSINESS

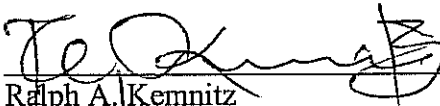
Secretary Eliason reported that the rules that were adopted by the Commission at the November 2011 meeting were approved by the Interim Rules Review Committee on December 20, 2011. He also reported the proposed bill streamlining the approval process of Key, Support and Retail License transfers as discussed at the November 2011 meeting was sent to LTF for final approval. No opposition is anticipated to the final approval.

Commission instructed Secretary Eliason to continue pursuing the possibility of removing the number of retail license limit for casino Operators. Secretary Eliason stated he will continue to work with DOR Secretary Gerlach on that matter.

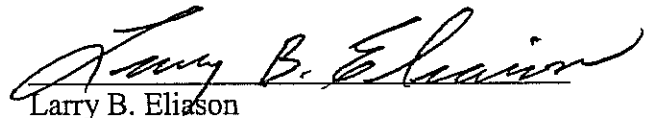
Commissioner Christianson moved to adjourn the meeting. The motion was seconded by Commissioner Crew. On roll call the Commissioners voted as follows:

Commissioner Kemnitz	Aye
Commissioner Crew	Aye
Commissioner Fischer	Aye
Commissioner Duncan	Aye
Commissioner Christianson	Aye

The meeting adjourned at 10:30 PM.



Ralph A. Kemnitz
Chairman



Larry B. Eliason
Executive Secretary